

Article Date	Headline / Summary	Publication
16 May 2024	Health Insurance On EMIs: All You Need To Know	Business World

[Health Insurance On EMIs: All You Need To Know](#)



Health insurance is crucial, however, paying the annual EMI at one go can be a financial burden, especially for senior citizens for whom the premium may be high. However, you can pay your health insurance premium through EMIs as well.

"EMIs in health insurance plans present a significant advantage: a more manageable payment method accessible to a broader customer base. Unlike the burden of a lump sum, EMIs spread the financial responsibility, benefiting both policyholders and insurers. Policyholders enjoy security coverage without the strain of a one-time payment, while insurers expand their customer reach," says Bhaskar Nerurkar, Head-Health Administration Team, Bajaj Allianz General Insurance.

Health insurance through EMIs also allows someone to go for a higher coverage, something one may not be able to afford with a one-time payment. "With the flexibility to pay premiums in instalments, customers can opt for higher coverage as well," says Parthanil Ghosh, Director and Chief Business Officer, HDFC ERGO General Insurance

How Do Such Plans Work?

"Depending on the policy, the alternatives for EMI payment duration may differ; however, most health insurance plans commonly offer annual, half-yearly, quarterly and monthly EMI options," says Nerukar.

To enrol in an EMI payment plan, you must provide basic information, such as your name, contact details, and financial information. The insurance company will use this information to determine your EMI payment plan and calculate the EMI amount. Once approved for an EMI payment plan, you must make the instalments on time to maintain your coverage.

Things to know

While health insurance on EMIs has its benefits as we have seen, there are a few things one must keep in mind.

High Sum Assured: EMI options for health insurance policies depend on the insurer and the policy the customer intends to buy. While some insurers offer EMI options on policies above a certain sum insured, others may have no such criteria and therefore. So, for some insurers, you may not be eligible for EMIs if your sum assured is less.

In Case You Make A Claim: If there is any claim made before the end of the premium instalment, the customers can opt for the claim through a regular process either in cashless or reimbursement mode. "However, the balance instalment amount, which is due for payment towards the policy during the year, will be deducted from the total claim payout," says Ghosh.

You Miss Out On Discounts: Paying a lump sum for multi-year health insurance policies often comes with attractive discounts. "Insurers offer up to 15 per cent discount on third year premium for multi-year policies. These discounts can significantly reduce the overall cost of the policy, making it a financially advantageous option for those who can afford to pay the premium in one go," says Siddharth Singhal, Business Head, Health Insurance, Policybazaar.com.

Keep In Mind

Look For No Cost EMI options: "Look out for the policy that comes with no additional cost for the instalment option," says Ghosh. This will ensure you are not paying any extra money on your premiums.

Ensure Timely Payments: It's vital to ensure that you have an autopay option activated for the entire policy year to avoid missing any payments. Maintaining a sufficient balance in your account is essential to cover the monthly premiums on or before the due date.

"If you fail to make timely payments, it can lead to policy lapses or claim rejections. The grace period for monthly mode policies ranges from seven to 15 days. So, ensure you pay the premium on time - once the grace period is over, the policy will lapse and you will lose on the premium already paid and the waiting period already served," says Singhal.

Understand Terms And Conditions: "Before buying a health insurance plan through EMIs, ensure you understand the terms and conditions of the EMI scheme. Check the interest rates (if any), processing fees, and repayment schedule to ensure you are comfortable with the terms.